OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA GEN. REG. NO. 27
5010-106

UNITED STATES GOVERNMENT

Memorandum

1-Mr. DeLoach
1-Mr. Sullivan

EXEMPTED FROM AUTOMATIC
DECLASSIFICATION
AUTHORITY DERIVED FROM:
FBI AUTOMATIC DECLASSIFICATION GUIDE
EXEMPTION CODE 25X(1,6)
DATE 11-04-2008

TO : MR. TOLSON

~~CONFIDENTIAL~~

DATE: May 6, 1968

FROM : C. D. DE LOACH

~~Classified by 5668 SLD/kd~~
~~Declassify on: OADR 4-22-88~~

(C)

SUBJECT: (C)

DR. ZALMAN MORDECAI SHAPIRO
POSSIBLE ATOMIC ENERGY ACT VIOLATION

(C)

Dr. Shapiro is allegedly the head of Nuclear Materials and Equipment Corporation, Apollo, Pennsylvania, which has had a number of large contracts with the Atomic Energy Commission. (S)(4)

(C)

(C)

It is suggested that the Domestic Intelligence Division first review files relative to any information we might have concerning Dr. Shapiro and his industrial concern, (C)

Depending upon what is found in files, (C)

whether or not this matter is considered worthy of investigation. A recommendation should then be made as to

Class. & Ext. By SP4 GSK/LRB
Reason - FCIM II, 1-2.4.2
Date of Review

CDD:amr
(3)

CONTINUED.....OVER

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN

COPY MADE FOR MR. TOLSON

~~CONFIDENTIAL~~

Memo DeLoach to Mr. Tolson

(C) Re: [redacted] (X)

b1

The fact that the said disappearances have occurred over a period of several years would certainly make investigation a questionable item if, in fact, there has been no report of such matters to us previously (X)(4)

ACTION:

As indicated above.

(C) (X) [redacted]

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AUTHORITY DERIVED FROM:
FBI AUTOMATIC DECLASSIFICATION GUIDE
EXEMPTION CODE 25X(1,6)
DATE 11-04-2005

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA GEN. REG. NO. 27

UNITED STATES GOVERNMENT

Memorandum

~~SECRET~~

ROUTE IN ENVELOPE

Tolson
DeLoach
Mohr
Bishop
Casper
Callahan
Conrad
Felt
Gale
Rosen
Sullivan
Tavel
Trotter
Tele. Room
Holmes
Gandy

TO : Mr. W. C. Sullivan

1 - Mr. DeLoach
1 - Mr. Sullivan
1 - Mr. Cotter

DATE: May 15, 1968

FROM : R. D. Cotter

(U) [JUNE] (X)

1 - Mr. D.J. Brennan
1 - Mr. Papich
1 - Mr. Wacks

SUBJECT: (U) DR. ZALMAN MORDECAI SHAPIRO
NUCLEAR MATERIALS AND EQUIPMENT CORPORATION (NUMEC)
[INTERNAL SECURITY - ISRAEL] (X)
ATOMIC ENERGY ACT

(C)

(S) Reference memorandum from Mr. DeLoach to Mr. Tolson 5/6/68 advising that [redacted] b1

Mr. DeLoach suggested that Bufiles be reviewed [redacted] prior to our deciding whether to initiate investigation. Director commented: "OK but I doubt advisability of getting into this."

(S) [redacted]

BACKGROUND:

In his discussion with Mr. DeLoach, Attorney General apparently did not have full facts concerning this matter. Memorandum D.J. Brennan to W.C. Sullivan 4/5/68 (attached) pointed out that [redacted]

Encs.

RDC/mea (7)

CONTINUED - OVER

~~SECRET~~

CLASS. & EXT. ... ALL INFORMATION CONTAINED
Reason - FCIM, ... HEREIN IS UNCLASSIFIED
Date of Review ... EXCEPT WHERE SHOWN
... OTHERWISE

~~SECRET~~

MEMORANDUM FOR MR. SULLIVAN
RE: DR. ZALMAN MORDECAI SHAPIRO

(S) [redacted] b1

(S) [redacted]

Bufiles show that in 1966 AEC conducted extensive inquiries concerning NUMEC firm based on loss of quantity of U-235. AEC concluded that while it could not be stated unequivocally that theft or diversion of this material had not taken place, it was believed loss represented cumulative losses from processing over an extended 8-year period.

We advised Internal Security Division of Department of the facts by letter 3/1/66 pointing out no investigation would be conducted by FBI in view of AEC's findings.

From 1965 to 1967 we conducted investigation based on AEC information to determine whether Shapiro's affiliation with a radiation research firm in which Israeli Government was partner constituted violation of Foreign Agents Registration Act on Shapiro's part. Department ruled subject was not in violation of Registration Act.

OBSERVATIONS:

(S) [redacted]

~~SECRET~~
continued - over

~~SECRET~~

Memorandum for Mr. Sullivan
RE: DR. ZALMAN MORDECAI SHAPIRO

ACTION:

1. Attached is letter to the Attorney General advising him we are initiating a discreet investigation of Shapiro. Attorney General is being further advised that we will seek his approval for the use of microphone and telephone surveillance coverage in this case upon completion of necessary surveys as to their feasibility. (U) (S)

2. Field is being separately instructed to conduct surveys as to feasibility of microphone and telephone surveillance coverage. (U) (S) NUMEC firm is located at Apollo, Pennsylvania, covered by the Pittsburgh Office. (U)

~~SECRET~~

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AUTHORITY DERIVED FROM:
FBI AUTOMATIC DECLASSIFICATION GUIDE
EXEMPTION CODE 25X(1,6)
DATE 11-06-2008

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA GEN. REG. NO. 27

5010-10 ~~CONFIDENTIAL~~

UNITED STATES GOVERNMENT

Memorandum

Tolson
DeLoach
Mohr
Bishop
Casper
Callahan
Conrad
Felt
Gale
Rosen
Sullivan
Tavel
Trotter
Tele. Room
Holmes
Gandy

TO : MR. W. C. SULLIVAN

DATE: 9-19-68

FROM : MR. D. E. MOORE

(U) [JUNE] (C)

SUBJECT:

(U) (C) DR. ZALMAN MORDECAI SHAPIRO
INTERNAL SECURITY - ISRAEL
ATOMIC ENERGY ACT

(C)

Classified By 5668SLD/RD
Declassify on: ~~OADR~~ 4-25-85

PURPOSE:

(U) To advise that Assistant Attorney General Yeagley, Internal Security Division, has advised that he has worked out arrangements with [redacted] and is sending a letter to [redacted] in accordance with [redacted] request. (C)

b6
b7C
b7D

BACKGROUND:

b1

Dr. Shapiro is the head of Nuclear Materials and Equipment Corporation (NUMEC) in Apollo, Pennsylvania [redacted] (C)

HEREIN IS UNCLASSIFIED EXCEPT WHERE SHOWN OTHERWISE

EX-100 REC-70

In connection with our investigation, [redacted] but the [redacted] As a result, by letter

b6
b7C
b7D

(U) 7-19-68 the Attorney General was requested to take whatever steps are necessary [redacted] (C)

Subsequently, Mr. Yeagley has advised of efforts

(U) being made to obtain approval [redacted] and he telephonically advised 9-18-68 that the necessary arrangements had been worked out with [redacted] (C)

DEM:hrt
(5)
1 - Mr. Sullivan
1 - Mr. Trotter
Enc.

Class. & Ext. By SP-1 65K/RB6
Reason - FCIM II, 1-2.4.2 2+3
Declassify Review 9-19-68
217.82-2 9-28-82

SEP 26 1968

1 - [redacted]

b6
b7C

~~CONFIDENTIAL~~

CONTINUED - over

MEMORANDUM FOR MR. SULLIVAN
RE: DR. ZALMAN MORDECAI SHAPIRO

(U) [redacted] He said, however, that [redacted] a letter be sent by Mr. Yeagley to him. Mr. Yeagley furnished the attached copy of the letter he is sending [redacted] (C)

b6
b7C
b7D

(U) [redacted]

ACTION:

For information. WCS

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA GEN. REG. NO. 27

~~CONFIDENTIAL~~

UNITED STATES GOVERNMENT

Memorandum

(U) [June] (S)

TO : MR. W. C. SULLIVAN

DATE: 9-25-68

FROM : MR. D. E. MOORE

Tolson
DeLoach
Mohr
Bishop
Casper
Callahan
Conrad
Felt
Gale
Rosen
Sullivan
Tavel
Trotter
Tele. Room
Holmes
Gandy

SUBJECT:

(U) DR. ZALMAN MORDECAI SHAPIRO
INTERNAL SECURITY - ISRAEL (S)
ATOMIC ENERGY ACT

PURPOSE:

~~Classified by 5668SLP/KSP~~
~~Declassify on: OADR~~ 9-25-85

(U) To advise that Assistant Attorney General Yeagley made available the attached copy of letter sent to [redacted] in this case. (S)

b6
b7C
b7D

ACTION:

For information.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
EXCEPT WHERE SHOWN
OTHERWISE

Class. & Ext. By SP-1 SSK/RB6
Reason - FCIM II, 1-2.4.2
Date of Review ~~4/28/81~~ 9/25/88
4/28/82

DEM:hrt
(5)

1 - Mr. Sullivan
1 - Mr. Cotter
1 - [redacted]
1 - [redacted]

b6
b7C

Enc.

REC- 18

4 SEP 30 1968

ENCLOSURE

SPEC. MAIL DEPT.

OCT 3 1968

~~CONFIDENTIAL~~

(Rev. 5-22-64)

FBI

Date: 9/25/68

Transmit the following in _____ (Type in plaintext or code)

Via AIRTEL (Priority)

To: Director, FBI (117-2564)

From: SAC, Pittsburgh (97-123-Sub 2) (P)

(U) DR. ZALMAN MORDECAI SHAPIRO
IS - ISRAEL (C)
ATOMIC ENERGY ACT

(U) JUNE (C)

Classified by 2668 SLP/KJ
Declassify on: 9-25-85

b6
b7C
b7D

Re Pittsburgh airtel to Bureau dated 6/20/68.

[redacted] as made available to the Pittsburgh Office on 9/25/68 on a very confidential basis, [redacted]

(U) [redacted]

As result of [redacted]

b7D

New York is therefore requested, UACB and provided full security assured, to obtain copy of aforementioned [redacted] on personal and strictly confidential basis through established source [redacted] if secured, should be forwarded to Bureau and Pittsburgh Office.

3 - Bureau (RM)
2 - New York (RM)
1 - Pittsburgh

DFW/jep
(6)

SP1 65K RB6
9/25/88
6/2/82

1 SEP 26 1968

Approved: _____ Sent _____ M Per _____
Special Agent in Charge

OCT 4 1968

~~CONFIDENTIAL~~

~~SECRET~~

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AUTHORITY DERIVED FROM:
FBI AUTOMATIC DECLASSIFICATION GUIDE
EXEMPTION CODE 25X(1)
DATE 12-18-2008

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA GEN. REG. NO. 27
5010-106

UNITED STATES GOVERNMENT

Memorandum

1 - Mr. DeLoach
1 - Mr. Sullivan

TO : Mr. W. C. Sullivan

DATE: 11/5/68

FROM : R. D. Cotter

(U) JUNE (C)

1 - Mr. Cotter
1 - Mr. Wacks

SUBJECT: DR. ZALMAN MORDECAI SHAPIRO
(U) (C) INTERNAL SECURITY - ISRAEL
ATOMIC ENERGY ACT

ROUTE IN ENVELOPE

(U) This memorandum sets forth excellent results we have obtained from our telephone surveillance on subject's residence. (S)

(U) We are investigating Shapiro to determine extent of his relations with Israeli Government. (C) As head of Nuclear Materials (U) and Equipment Corporation, Apollo, Pennsylvania, which processes uranium-235 for nuclear reactors, Shapiro has access to atomic energy material which could be most helpful to the Israelis. (C)

We have developed live sources concerning Shapiro's activities, but our most productive source is telephone installation on his residence. This source has indicated subject has been in contact on two occasions with Dr. Avraham Hermoni, Scientific Counsellor, Israeli Embassy, Washington, D.C., an Israeli intelligence agent. Source has also disclosed contacts with a senior official (U) of Israeli military intelligence, individuals associated with Israeli Atomic Energy Commission, and member of Israeli Internal Security Service. In addition, source has alerted us to subject's contemplated travel to Israel during latter part of November, 1968, and has indicated he is considering settling permanently in that country and, if necessary, would fight for Israel. We have learned much concerning subject's travels and financial condition also from this source. (S)

(U) Future investigation will endeavor to identify additional Israeli contacts of subject and reasons therefor. (C)

REC 44

ACTION:

For information. In view of the delicate nature of this investigation, we are limiting dissemination to [redacted] Atomic Energy Commission. (C)

[redacted] (C)

[redacted]

117-2564
JFW:mea (5)

Classified by 5668 SC/Sandy
Declassify on: GADR 4/25/95

b1

NOV 18 1968

~~SECRET~~

~~CONFIDENTIAL~~

~~SECRET~~

1/21/69

Airtel

1 - Mr. Wacks

To: SAC, Pittsburgh (97-123) (U) ~~JUNE~~

From: Director, FBI (117-2564)

(U) DR. ZALMAN MORDECAI SHAPIRO
IS - ISRAEL
AEA

(U) Submit 30-day summary containing pertinent data furnished by [redacted] b2

In same communication submit recommendations as to interview with subject and others involved this case.

JFW:wmk
(4)

8-25-98 CLASSIFIED BY 8224 JMK/RCL DECLASSIFY ON: 25X 1 431-525

4-27-95 Classified by 25668 DMH/RD Declassify on: OADR

REC-6 117-[illegible]-177

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED EXCEPT WHERE SHOWN OTHERWISE

MAILED 6
JAN 21 1968
COMM-FBI

Class. & Ext. By SP2 G5K/RB6
Reason - FCIM II, 1-2.4.2 2-3
Date of Review 5/13/89 217,822

~~SECRET~~

6 FEB 3 1969

MAIL ROOM TELETYPE UNIT

FD-36 (Rev. 5-22-64)

SECRET

FBI

Date: 1/24/69

Transmit the following in _____ (Type in plaintext or code)

Via AIRTEL (Priority)

(U) JUNE

TO: DIRECTOR, FBI (117-2564)

FROM: SAC, PITTSBURGH (97-123)(P)

SUBJECT: DR. ZALMAN MORDECAI SHAPIRO
(U) IS - ISRAEL
AEA

Classified by 5668 SLP/RB
Declassify on: OADR

Re Pittsburgh letter to Bureau, dated 1/20/69, and Bureau airtel to Pittsburgh, dated 1/21/69, in which Pittsburgh was directed to furnish recommendations as to interview with subject and others involved in this case.

Pittsburgh does not recommend that subject and/or others involved in this matter be interviewed at this time.

(U) The primary objective of this investigation was to establish the nature and extent of subject's relationship with the Government of Israel.

Investigation in this case, to date, has established the fact that subject maintains an intimate and respected relationship with officials of the Israeli Government. He is known to have discussed technical requirements of Israel with Israeli officials and intelligence personnel and further, has requested known acquaintances who are at least sympathetic (U) to Israel, to provide data on a variety of technical matters of interest to the Israeli Government. It is felt that the primary objective of this investigation has been established. (S)

3-Bureau (RM)
2-Pittsburgh
DFW:psa
(5)

REC-16

178

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED EXCEPT WHERE SHOWN OTHERWISE
Class. & Ext. By SP-1 GSK/RB6
Reason - FCIM II, 1-2.4.2 (3)
Date of Review 4-24-85

25 JAN 25 1969

C. C. Bishop

217,822

5/13/85

Approved: _____ Sent _____ M Per _____

Special Agent in Charge

6 FEB 7 1969

SECRET

PG 97-123

(U) Concerning the question of subject having diverted U-235 to Israel, that has not been resolved. The relatively few individuals interviewed in this matter, including former employees, revealed their suspicions of subject's activities, but produced no concrete information of value in this regard. (S)

The investigation, however, did disclose the probable existence of an Israeli technical intelligence network as AVRAHAM HERMONI's visit to Pittsburgh revealed. The thought comes to mind that this group is not the only one of its type, as HERMONI, no doubt, has contacts in other sections of the country and is collecting information in all fields. An interview would not produce any information regarding this activity as subject and others would, no doubt, deny any wrong-
(U) doing and consider any inquiry along these lines as impertinent. (S)

Investigation has further disclosed that subject and others involved in instant case, in addition to holding top positions in their respective fields, are very active and highly regarded in various Jewish organizations which
(U) exert some influence in this country. In addition, subject is known to be critical of the Internal Revenue, "other U. S. Government agencies" and President RICHARD NIXON. He has expressed no allegiance to the United States, but has stated he could fight for Israel and is believed to be seriously contemplating migrating to Israel within the next several years. (S)

It is the considered opinion of the personnel familiar with this case that an interview with subject and/or others intimately involved in this case would develop very little pertinent information without jeopardizing the existence of [redacted] An interview with subject and/or others could conceivably cause some embarrassment to the Bureau and/or
(U) the new Administration. It is felt that disclosure by the subject, DAVID LOWENTHAL and others of an investigation by the Bureau could be interpreted by the Israeli Government as being inimical to cordial relations between the Governments at a critical time. (S)

b2

(U) It is pointed out that subject and his wife, according to [redacted] are in frequent contact with their (S)

PG 97-123

attorney, JOSEPH SWARTZ, in connection with business and personal affairs. It is further felt that in view of the fact this Bureau has previously interviewed subject, he (U) would, at this time, decline to be interviewed without the presence of his attorney due to the nature such an inquiry would take. (S)(X)

An interview would alert subject's associates to this Bureau's interest in their activities and could cause them to be more clandestine in their actions. This could possibly be beneficial by causing them to think twice before (U) taking any questionable action favorable to Israel, or it could possibly cause, as previously mentioned, the Bureau some embarrassment. It is believed the disadvantages far outweigh any benefits which might be gained by an interview of the subject and/or others involved in this case at this time. (X)

ROUTE IN ENVELOPE

SECRET

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AUTHORITY DERIVED FROM:
FBI AUTOMATIC DECLASSIFICATION GUIDE
EXEMPTION CODE 25X(1)
DATE 12-19-2008

~~SECRET~~

1 - Mr. DeLoach
1 - Mr. Sullivan
1 - Mr. Cotter
1 - Mr. Wacks

The Attorney General

February 10, 1969

Director, FBI

(U)

JUNE

CLASSIFIED BY ~~[illegible]~~
DECLASSIFY ON: 25X 1,6

(U)

DR. ZALMAN MORDECAI SHAPIRO
INTERNAL SECURITY - ISRAEL (C)
ATOMIC ENERGY ACT

(X)

INFORMATION CONTAINED
UNCLASSIFIED EXCEPT
WHERE SHOWN OTHERWISE

Classified by 5668SLD/kd
Declassify on: OADR

Beginning in May, 1968, this Bureau has conducted an intensive investigation regarding Shapiro, head of the Nuclear Materials and Equipment Corporation (NUMEC) at Apollo, Pennsylvania, which processes uranium 235 and holds a number of contracts with the Atomic Energy Commission.

b1

(C)

[redacted]

[redacted]

MAILED 2
FEB 10 1969
COMM-FBI

117-2564
RDC:mea
(7)

REC 101

SECRET
Group 1
Excluded from automatic downgrading and declassification

see note, page 3

FEB 12 1969

FEB 18 1969
MAIL ROOM TELETYPE UNIT

~~SECRET~~

The Attorney General SECRET

Our present investigation of Shapiro has been aimed at determining the nature and extent of subject's current relationship with Israeli officials. Our (U) investigation has included a telephone surveillance of the subject's residence in Pittsburgh, Pennsylvania, which was authorized by former Attorney General Clark on July 5, 1968. (C)

Our investigation has shown that Shapiro has been in contact on several occasions with Israeli officials, including Dr. Avraham Hermoni, Scientific Counsellor, Israeli Embassy, Washington, D. C. [redacted] (S) [redacted] b1 During late 1968, Shapiro visited Israel and it is noted that he has made such visits to Israel on several occasions during recent years. (S)

On November 3, 1968, Shapiro presided over a meeting held at his home in Pittsburgh which was attended by Hermoni and a group of American scientists and engineers who apparently were sympathetic to Israeli interests. (U) The purpose of the meeting was to afford Hermoni the opportunity to brief the group on Israeli technical intelligence requirements in the United States and to discuss methods of obtaining this information. (S)

Through our coverage of the subject it has been determined that he is extremely pro-Israel in attitude and is, (U) in fact, considering settling permanently in that country. On one occasion Shapiro indicated that he would fight, if necessary, for Israel. (S)(C)

The results of our investigation are being furnished on a continuing basis to Assistant Attorney General Yeagley (S) of the Internal Security Division, [redacted] AEC, the Department of State, and the Defense Atomic Support Agency. (C)

1 - The Deputy Attorney General

The Attorney General

NOTE:

Classified "Secret" since disclosure would jeopardize sensitive sources and result in serious damage to national defense interests. (S) (U)

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA GEN. REG. NO. 27

5010-106

UNITED STATES GOVERNMENT

Memorandum

~~CONFIDENTIAL~~

TO : Mr. W. C. Sullivan

(U) [JUNE] (X)

DATE: April 7, 1969

FROM : C. D. Brennan

(U)

SUBJECT: [ELECTRONIC SURVEILLANCES] (X)

The Attorney General under date of 3/28/69 approved our request for continuation of Electronic Surveillances for a period of three months effective 4/1/69. His approval was noted in writing on our memorandum of 3/24/69, which is (U) attached in an exhibit envelope. As in the past, an appropriate record will be made in each case file showing Attorney General's approval. (X)

ACTION:

None. For information.

(U)

Enclosure

(U) [66-8160] (X)

EPG:sss
(9)

1 - Mr. Sullivan
1 - Mr. Branigan
1 - Mr. Cotter
1 - Mr. G. C. Moore
1 - Mr. Gray
1 - [redacted]
1 - Mr. C. D. Brennan
1 - [redacted]

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OTHERWISE

Class. & Ext. By SR-2 TAP/NLC
Reason - FCIM II, 1.2.(g)(2)
Date of Review 4/7/89

5/1/80

b6
b7C

Classified by 5668SC
Declassify on: OADR
5/3/85

NOT RECORDED
126 APR 10 1969

6 APR 11 1969

~~CONFIDENTIAL~~

ORIGINAL FILED IN

SECRET

(D-143 (Rev. 4-2-63)
OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA GEN. REG. NO. 27
5010-106

UNITED STATES GOVERNMENT

Memorandum

(U)

Classified by 3260 SLD/mdj
Declassify on: OADR

JUNE

EXEMPTED FROM AUTOMATIC DECLASSIFICATION
AUTHORITY DERIVED FROM:
FBI AUTOMATIC DECLASSIFICATION GUIDE
EXEMPTION CODE 25X(1,6)
DATE 12-19-2008

TO : DIRECTOR, FBI (Bufile 117-2564) DATE: 4/24/69

FROM : SAC, PITTSBURGH (97-123-Sub 2)

217822

SUBJECT: JUSTIFICATION FOR CONTINUATION OF TECHNICAL OR MICROPHONE SURVEILLANCE

(U)

RE: Title DR. ZALMAN MORDECAI SHAPIRO

Character of Case IS-ISRAEL; AEA
Field Office Pittsburgh CONF. INFT
Symbol Number [redacted] b2
Type of Surveillance: (Technical xx
~~Microphone~~)

1. Name of person or organization on whom surveillance placed:
DR. ZALMAN MORDECAI SHAPIRO, President, Nuclear Materials and Equipment Corporation (NUMEC), Apollo, Pa.

2. Address where installation made. Also give exact room number or area covered:
5452 Bartlett Street, Pittsburgh, Pa., the personal residence of SHAPIRO

(U) 3. Location of monitoring plant:
Pittsburgh Office Consolidated Plant at Pittsburgh FBI Office, 1336-0 Federal Building, 1000 Liberty Ave., Pittsburgh, Pa.

4. Dates of initial authorization and installation:
Authorized, 7/5/68.
Activated, 9/27/68

5. Previous and other installations on the same subject (with dates and places):
None

REC-24

APR 28 1969

6. If installation is a technical surveillance, answer following questions:

a. Is a trunk line utilized? 3 trunk lines are utilized

b. Is the surveillance on a switchboard? No

c. Is the surveillance on a public coin-operated telephone?

6 Registered Mail
1 - Bureau
1 - Pittsburgh
DFW:lgh (2)

SECRET

NAT. INV. SEC. BR.

d. Is surveillance on a private line or a party line? **3 private lines**

e. If a party line, how many parties? **Not Applicable**

7. If a microphone surveillance involved, state number of microphones actually used and location of each: **Not Applicable**

8. Is the installation part of a tel-mike? If so, give symbol of other side of the combination:

No

9. Specific examples of valuable information obtained since previous report with indication of specific value of each item and the date information received. State what use was made of each item involved: (Add insert pages)
See Insert Page. Appropriate dissemination will be made of information received.

10. Could above information have been obtained from other sources and by other means? **No**

(C)

(S) 11. Number of live informants (in field division) who cover same subject:
None

12. Has security factor changed since installation?

No

13. Any request for the surveillance by outside agency (give name, title and agency):

(C) [redacted] b1

14. Cost of Plant Premises:

a. Rental costs for plant premises: **None**

b. Give total number of other surveillances monitored at same plant.
None

c. If any others, set out the proportionate cost of instant surveillance:

15. Cost of Leased Line for instant installation?

3 leased lines cost $20.00 each, plus 16% State and Federal taxes of $69.60

16. Personnel Costs:

a. Give total number of special employees and/or Special Agents working at plant and total salary costs.

(U) **One Special Employee (GS-9) at $10,718 per annum, utilized full-time for monitoring. One Special Agent (GS-13) at $18,249 per annum utilized 80% of time for monitoring. Proportionate salary expense per annum for Agent for instant tesur $14,599.20.**

b. Total number of man hours per week spent at plant?

72

c. If other installations monitored at same plant, list proportionate number of man hours per week spent on instant surveillance:

Not Applicable

d. If other installations monitored at same plant, list proportionate salary expense per annum for instant surveillance:

Not Applicable

17. Remarks (By SAC):

During the past three months, source continued to furnish a considerable amount of valuable information pertaining to subject's activities, a great portion of which would not otherwise be available to this office. Information secured through source further emphasizes subject's close relationship with Israeli Intelligence and his desire to obtain information of a technical and scientific nature for the Israeli Government. In view of the foregoing, it is recommended that this installation be continued as long as full security and productivity can be assured.

(U) 18. Recommendation by Assistant Director:
(If this surveillance involves cryptanalysis, include statement that decrypted material is or is not sufficiently important to continue decrypting.)

(U) This technical surveillance on subject's residence was approved by Director 7/1/68 and Attorney General 7/5/68 (117-2564-26). It was installed 9/27/68 (117-2564-81). Dr. Zalman Mordecai Shapiro, Pittsburgh, Pennsylvania, is under investigation to determine if he is in contact with Israeli intelligence agents.

(S) [redacted] b1

Shapiro is head of Nuclear Materials and Equipment Corporation, Apollo, Pennsylvania, which processes uranium-235. He has access to atomic energy material which could be most helpful to Israelis and subject is on very familiar terms with members of Israeli Atomic Energy Commission.

(U)

By letter 4/15/69 Department advised that subject's activities were not in violation of Federal statutes. We are continuing our investigation, however, on intelligence basis in view of subject's pronounced Israeli sympathies. Dissemination of pertinent information is being made on continuing basis to

(C) [redacted] Atomic Energy Commission (AEC), State and the Department all of which are aware that we are continuing investigation. AEC 4/3/69 sent letter to Attorney General, a copy of which we received through liaison on a very confidential basis and which has not been referred to the Bureau for action. [redacted]

(C) [redacted] has not as yet decided what action to take with respect to subject's security clearance and classified contracts held by his company.

Information has been developed through source which definitely shows his sympathies for Israel and intentions to help that country in any way he can. Source has furnished information showing subject is in contact with various members of Israeli Embassy including Dr. Avraham Hermoni, Scientific Counselor, reported by [redacted] as being engaged in establishing Israeli intelligence network. Through source we have learned during past 90 days that he still is in contact with Israeli Embassy as well as Israeli officials visiting this country; that he plans to visit Israel in June, 1969; that his company had a shortage in plutonium valued at $600,000; possible identity of a "friend" at AEC; and his continued sympathy for Israel and desire to help that country. b2

(U) It is recommended this technical surveillance be continued for next 90 days.

(C) [redacted] b1

~~SECRET~~

PG 97-123-Sub 2 (4) (5)

INSERT PAGE FOR No. 9

Information furnished by source as set forth hereinafter will be reported in forthcoming report unless otherwise stated.

2/2/69

Conversation between subject's wife, [redacted] and [redacted], a cousin, wherein [redacted] states, "I understand that you are thinking of personally settling in Israel."

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b7C

2/16/69

Conversation between [redacted] and AVRAHAM HERMONI, Scientific Counselor of the Israeli Embassy, Washington, D.C., wherein [redacted] canceled scheduled meeting between subject and HERMONI.

Above conversation disclosed [redacted]

This information was reported in the report of SA [redacted] dated 2/18/69, at Pittsburgh, captioned as above.

2/17/69

Conversation wherein subject instructs his [redacted] to contact Israel Investment Services-Israel Government Investment Authority in New York City and cancel his appointment with [redacted]

2/23/69

Information that subject planned to visit Windsor, Conn., 2/26/69.

As a result of this information, investigation disclosed subject on 2/27/69, visited Combustion Engineering Corp., Windsor, Conn., and conferred with representatives of that company concerning nuclear fuel.

3/6/69

Conversation during which it is disclosed subject will be receiving a salary at

~~SECRET~~

PG 97-123-Sub 2 (4) (R)

Nuclear Materials and Equipment Corporation (NUMEC), as of 4/1/69, of $50,000.00, an increase of $5,000 over his 1968 salary.

Information disclosing [redacted] of Philadelphia, Pa., who reportedly attended meeting of 11/3/68, at Pittsburgh residence of subject where discussions held for purpose of gathering technical and scientific information for Israel, attempted to contact subject with negative results. b6 b7C

(U) 3/8/69

(C) (S)

Information that subject planned meeting a [redacted] of Engelhart Industries, Newark, N.J., on 3/10/69, and also planned visiting Connecticut Yankee Atomic Power Company, Berlin, Conn., on or about 3/11/69.

As a result of this information, aforementioned individual was identified as [redacted], born Germany and currently Director of Research and Development, Engelhart Minerals and Chemicals Corporation, Newark, N.J. [redacted] principal duty is to direct research in the development of products relating to precious metals.

Investigation further disclosed that on 3/11/69, subject met with representatives of Connecticut Yankee Atomic Power Company (CYAP), at Berlin, Conn., for the purpose of obtaining contract to supply nuclear fuel to CYAP.

[redacted] informed subject that (PH), of New York, who reportedly has visited subject's residence in the past, desired to speak with subject in the near future.

Conversation during which it is disclosed a current employee at NUMEC on 3/7/69, accidentally pricked his finger with - sharp instrument where plutonium involved and finger was amputated.

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3/10/69 — Conversation during which it is disclosed a current employee at NUMEC described as a "plutonium case" is reported by subject to be searching his lineage for traces of Jewish blood, and if such is found, will commit suicide.

3/12/69 — Conversation between subject and JACK NEWMAN, former Vice-President of NUMEC wherein NEWMAN advises that a [redacted] (PH), is resigning from the Atomic Energy Commission (AEC), and subject indicates that in this event, they will be without a friend in AEC. b6 b7C

(C) (S) (C)

3/19/69 — AVRAHAM EYLONIE, [redacted] who deals with a wide range of technical electronic matters, contacts subject's residence for purpose of speaking with subject; and when informed he is unavailable, advises EVELYN SHAPIRO that he recently returned East from lengthy trip out West and will leave United States for Israel in near future. b1

Detailed account of conversation between subject and AVRAHAM EYLONIE, Supra, who informed subject he plans departing for Israel on or about 3/27/69, but desired meeting with subject prior to departure. Tentative arrangements made for EYLONIE to visit subject's residence or to meet in New York City. They discussed a "British Project" of apparent interest to Israel and "converters" which subject evidently made available to Israel. They discussed EYLONIE's appointment to another Israeli Government position and discussed current political situation in Middle East. When subject discloses his alarm over current military situation in Middle East, he is informed by EYLONIE not to be concerned about these events and would disclose his reasons during their meeting.

PG 97-123-Sub 2 (U)

3/20/69	Subject, during conversation, reveals his annoyance concerning statements made by Egyptian Minister of Information who was being interviewed over local radio station and suggests ALBERT BLOOM, Editor, Pittsburgh Jewish Publication and Education Foundation, submit a rebuttal to these statements.
3/21/69	AVRAHAM EYLONIE, Supra, informs [redacted] that because of previous commitments, he is unable to visit subject's residence prior to departure for Israel but hopes he and subject can meet in New York City.
3/22/69	AVRAHAM EYLONIE, Supra, telephonically contacts subject collect and apologizes for not being in position to visit subject's residence prior to departure for Israel. They make tentative plans to meet in New York City 3/26/69.
3/23/69	Detailed information concerning conversation between [redacted] and subject's sister, ZIPPORAH SCHEFRIN, wherein it is disclosed subject is currently visiting a psychiatrist on regular basis for assistance in handling [redacted] It is revealed that [redacted] feels subject near physical or mental breakdown. During conversation, [redacted] inadvertently discloses subject plans meeting AVRAHAM EYLONIE, Supra, in New York City, then attempts to rectify inadvertence. Source noted that it was apparent SCHEFRIN was acquainted with EYLONIE.
3/25/69	Conversation between subject and current NUMEC employee wherein an unidentified contract held by NUMEC is mentioned and subject is informed an unspecified amount of material furnished for use in contract will be left over and subject instructs that this excess amount of material be added to NUMEC inventory.

(U)

(S)

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PG 97-123-Sub 2 ~~(S)~~ (C)

3/26/69	AVRAHAM EYLONIE, Supra, telephonically contacts subject's residence collect and is advised by [redacted] that due to unforeseen business problems, subject was unable to visit New York City that date. b6 b7C Subject contacts AVRAHAM EYLONIE and apologizes for his failure to visit New York City that date. Subject informs EYLONIE he contemplates visiting Israel during June, 1969.
3/29/69	Conversation between subject and current NUMEC employee wherein subject is informed that a plutonium inventory at NUMEC revealed a shortage which subject claimed would amount to $600,000. They discussed the possibility of an AEC inspector learning of the shortage.
(U) (C) (S)	Conversation between subject and current NUMEC employee wherein subject is informed that 2½ kilos of missing material has been located, leaving 13½ kilos unaccounted for.
	Detailed conversation between subject and current NUMEC employee wherein it is disclosed a letter was being prepared to DAVID PELEG, who reportedly is Commissioner and Director of Administration, Israel, AEC. Letter described research conducted concerning production by Israel of certain medical instruments and the potential market available for such instruments through Jewish hospitals and physicians in the United States. Conversation further disclosed NUMEC was producing an irradiator for Israel but was incurring shipping difficulties.
3/30/69	Detailed information concerning aforementioned irradiator for Israel which reportedly would be used for the preservation of potatoes and onions and further discussion concerning problems of shipping same to Israel.

PG 97-123-Sub 2 (U) (S)

3/31/69

Information subject planned to visit Washington, D.C., and had appointment with a Mr. CONN (PH), of Philipp Bros., New York City on 4/1/69.

As a result of this information, investigation disclosed subject visited the Israeli Embassy, Washington, D.C., on 4/1/69, where he reportedly had appointment to visit Scientific Attache JERUHAM KAFKAFI.

Investigation at New York City disclosed WALTER KAHN is Vice President of Philipp Bros., 299 Park Ave., New York City, which company deals in the buying and selling of chemicals and minerals.

(U) (C) (S)

4/6/69

Conversation between subject and [redacted] wherein it is disclosed subject was expecting two people from Israel to visit him on that date.

Conversation between subject and individual who identified himself as [redacted] from Shaar Negev, Israel, and indicated that he and [redacted] (PH), arrived in Pittsburgh that date and were registered at local motel and made arrangements to meet 4/7/69.

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On basis of this information, Special Agents of this office successfully conducted physical surveillance on aforementioned meeting on 4/7/69.

Conversation between subject and current NUMEC employee which revealed subject would bring aforementioned Israeli's to NUMEC on 4/7/69, and would utilize subject's office for conference.

4/8/69

Conversation in which subject informs [redacted] he plans visiting Israel during latter part of June, 1969.

PG 97-123-Sub 2 (U) (S)

4/9/69 — Conversation during which [redacted] reveals subject scheduled to attend a conference in Jerusalem on 6/25/69.

4/12/69 — Conversation wherein subject instructs [redacted] to meet [redacted] from Israel at Pittsburgh Airport and transport to residence.

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Conversation wherein subject requests current NUMEC employee to visit his residence and discuss "fluoridation chemistry" with [redacted]

(U) (S) Detailed information concerning conversation between subject and another current NUMEC employee wherein subject discloses visit to NUMEC irradiator facilities at Clearfield, Pa., is canceled because [redacted] is more interested in chemistry and desires opportunity to discuss "nuclear techniques for analysis," and "ore analysis and scrap," with appropriate NUMEC personnel. Subject also reveals plans for [redacted] to visit with people connected with Chemistry Department, University of Pittsburgh, Pittsburgh, Pa.

4/13/69 — Detailed information concerning conversation between subject and [redacted] chemistry professor, University of Pittsburgh, who attended meeting at subject's residence, 11/3/68, and is currently under FBI investigation, wherein subject identified [redacted] Supra, as a nuclear chemist from Israel interested in "heavy iron chemistry," and suggests [redacted] meet with [redacted] besides arranging meeting between [redacted] and [redacted]

Conversation between [redacted] Supra, and [redacted] chemistry professor, University of Pittsburgh, Pittsburgh, Pa., wherein [redacted]

PG 97-123-Sub 2 (4) (C)

identifies self as currently with Israeli AEC and head of Blood Chemistry Department. They hold preliminary discussion wherein they briefly discuss fissions, nuclear reactions, the charred state of recoils, electro-magnetic isotope separators and high structure in fission distributions. They further arranged to meet later on that date.

Conversation wherein subject informs current security officer of NUMEC that although they received clearance to take [redacted] through NUMEC facility on 4/11 or 4/14/69, he plans to take [redacted] through facilities on that date.

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(U)

(C)

(S)

Information that subject planned to visit Washington, D.C., on 4/14/69, probably to attend meeting at National Heart Institute, National Institute of Health.

As a result of this information, investigation disclosed subject visited National Heart Institute on 4/14/69, and subsequent information from source revealed subject attended aforementioned meeting for purpose of presenting details on an artificial heart developed by NUMEC.

4/14/69

Conversation between subject and current NUMEC employee wherein they discuss a forthcoming AEC Nuclear Safeguard Conference and express concern over the possibility that new safeguards and vigorous inspections by AEC might be adopted in addition to international inspections.

4/15/69

Conversation from which it is disclosed [redacted]

PG 97-123-Sub 2

(U) 4/20/69

Conversation wherein [redacted] informs [redacted] that subject contemplates spending approximately three weeks in Israel during June, 1969.

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Conversation wherein subject's [redacted]

UNITED STATES
ATOMIC ENERGY COMMISSION
WASHINGTON, D.C. 20545

~~CONFIDENTIAL~~ AUG 28 1969

DOE information unclassified
Per DOE letter 6-6-85

Honorable J. Edgar Hoover
Director
Federal Bureau of Investigation
U. S. Department of Justice
Washington, D. C. 20535

~~Classified by 5668SCD/LKT~~ 6-11-85
~~Declassify on: OADR~~
~~FBI Info~~

Attention: Joseph M. Fitzgerald, Liaison Officer

Dear Mr. Hoover:

Please refer to my letter of February 20, 1969, in connection with the Dr. Zalman Mordecai Shapiro matter.

As your representatives were informed, AEC staff recently interviewed Dr. Shapiro concerning his relationships with certain Israeli national officials. A copy of the summary of the interview (U) is enclosed for your records. A copy of this summary has been furnished to the office of the Assistant Attorney General, Internal Security Division (C)

On the basis of the information developed during this interview, particularly Dr. Shapiro's statement that throughout his associations with Israeli officials he has never been asked to furnish classified information, has never furnished, and would not, if asked to, furnish (U) such to unauthorized persons, the Commission does not contemplate further action in this matter at this time. (C)

Sincerely,

(C)

REC-42

(U)

William T. Riley

William T. Riley, Director
Division of Security

(U) Enclosure:
Summary of Interview (C)

ENCLOSURE

~~CONFIDENTIAL~~

August 19, 1969

(U) INFORMAL INTERVIEW OF DR. ZALMAN MORDECAI SHAPIRO (S)

On August 14, 1969, [redacted] Office of the General Counsel, and Mr. William T. Riley, Director, Division of Security, interviewed Dr. Zalman Mordecai Shapiro in connection with the recent FBI investigation (U) which was conducted to determine the nature and extent of his relationship with the Government of Israel and certain Israeli nationals. (S)

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Declassify on: OADR
F-BI 8-14-69

It was explained to Dr. Shapiro that the Commission routinely conducts reinvestigations of key officials to assure their continued eligibility for access to classified information. It was noted that a reinvestigation had recently been completed on him and that certain questions had been raised with respect to his relationship with the Government of Israel and certain (U) Israeli national officials. Dr. Shapiro was advised that we hoped to resolve these questions during this informal interview. We informed Dr. Shapiro that he occupies an important position in the atomic energy program and that his actions and associations are, of course, a matter of continuing security interest. (S)

(U) November 1968 Meeting (S)

Following these introductory comments, we raised the question as to the circumstances of the November 1968 meeting at Shapiro's residence with a number (U) of U.S. technical and scientific personnel and Ayraham Hermoni, Scientific Counselor of the Israeli Embassy. Shapiro stated he could not recall all of the individuals who attended the meeting but he estimated some four or five were there. He said that the arrangements for the meeting were set up by a (S)

ENCLOSURE

This material is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency. Unauthorized disclosure of which or any duplication of which is prohibited by law.

scientist from the University of Cornell, a member of the physics department, whose name he could not recall (records indicate that it was [redacted] Shapiro said that he received a call about the proposed meeting from a University of Pittsburgh professor whose name he could not recall (records indicate [redacted] and that he, Shapiro, volunteered the use of his residence for the meeting simply because it was a point of convenience, i.e. midway between Washington, D. C. and Cornell. Shapiro could not recall how long the meeting lasted, but he estimated it was 1½ or 2 hours. He said that as best as he could recall the general tone of the meeting concerned ways and means the group could be of assistance to Israel in solving some of its technical problems. (He stated that some individuals contribute money, others contribute their technical abilities.) He said that there was a general discussion of areas in which Israel needed assistance. These included:

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(U)

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1. water contamination - He explained that most of Israel's water supply is from deep wells and from a military point of view contamination of these water sources would be an effective instrument in reducing Israel's capability to respond to military attack. Therefore, it was important that Israel be able to detect even small amounts of contamination very rapidly.

(U)

(S)

2. saboteur detection devices - Shapiro noted that Israelis were and remain under continuing threat of saboteur attack and it was vital if Israel is to continue to exist that technical methods be developed to thwart saboteur type attacks. Shapiro

(U)

(S)

also noted that the interest of the Israelis in infrared detection devices was specifically discussed at this meeting and that one of the individuals present (he could not recall specifically whom) who had some experience in infrared detection devices agreed to provide material which had been published in one of the scientific journals by Westinghouse. (S)

(U)

3. long-life power sources - Shapiro noted specifically that this is the one particular area in which he had some competence and that he discussed in general possible ways of resolving the long-life power source problems. (S)

(U)

As a result of this meeting, Shapiro said that he personally did not furnish any follow-on reports to Hermoni. He said that he did act as a source of transmission for periodicals (these were reprints of articles on detection of contamination of water systems) which had been provided to him by a person (he could not recall the name) who attended the meeting. He said he gave them to [redacted] who he believes works for Hermoni. Shapiro said that he could not understand why these reprints of published articles had been sent to him for transmission to Hermoni rather than being sent directly.

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(U) Shapiro noted that much of the material discussed at the November 1968 meeting related to military activities and that persons more experienced in military affairs could probably have provided more detailed information. In response to a question, he said he did not know why Hermoni had not requested information on these topics from the U.S. military. (S)

According to Shapiro no other subjects were discussed at the November meeting, (U) nor were any of the requests made at the meeting in his view improper from a national defense point of view. (S)

Shapiro said that there have been no follow-on meetings with Hermoni or any other Israeli nationals as a result of the November meeting. He did recall a meeting in New York (presumably before the November meeting) with the University of Cornell scientist at which time he discussed the apparent lack of coordination between several committees which had been established to assist Israel. One of these is the Committee on Science Based Industry which Shapiro said is an effort to attract scientific industry to Israel with the ultimate objective of improving Israeli's exports. He mentioned (U) another committee, the Prime Minister's Economic Committee, whose principal function he said is to obtain investment funds in the U.S. for commitment in Israel. He said that in the view of his University of Cornell contact, who was familiar with what was going on, the people who were trying to help were going in all directions and that as a result very little was being accomplished in the U.S. (S)

(U) [Commercial Applications of Atomic Energy] (S)

Shapiro said that he has had over a period of years a number of contacts in various foreign governments (he mentioned Germany, Japan, England, and others) with respect to the commercial application of atomic energy. One of his (U) foremost customers has been Israel. In particular, he has commercial arrangements with the ISORAD Company in which NUMEC and the Israeli Government are partners. This activity began initially in an effort to preserve citrus fruit (S)

products. Shapiro noted that the continued supply of the Israeli orange crop to Germany was being jeopardized by chemicals used to preserve oranges. According to Shapiro ISORAD has been quite successful in irradiating the (U) potato crop but has not to this time been able to apply this technique to citrus fruits. According to Shapiro efforts are being made to expand ISORAD's irradiation process to the fields of syringes, needles, rubber gloves, and indigenous products of Israel. (S)

Shapiro also noted that NUMEC entered into a contract with the Government of Israel to furnish a DC-AC converter. He explained that this was necessary (U) to determine whether the NUMEC power sources (apparently a five-watt nuclear generator) could be used in Israeli incursion detection devices. He said NUMEC made up a DC-AC converter and shipped it to Israel. The last he heard the converter probably could not be used. (S)

(U) Contacts with Israeli National Officials (S)

Shapiro said as a result of his commercial interests and his visits to Israel in connection with these interests he has met a number of Israeli national officials. He noted that a number of Israeli national officials had visited (U) his facility under authorization of the AEC for the purpose of discussing nuclear activities, particularly power sources and irradiation. He could not recall when he first met Avraham Hermoni but he thought it was in Israel. He was uncertain as to Hermoni's background or previous assignments, but he thought that Hermoni when he first met him was a professor at a University. He noted that many Israelis have dual occupations. He said he did not know whether Hermoni had been associated with the Israeli Ministry of Defense (S)

(U) He said that when Col. Hillel Aldag, Hermoni's predecessor, was transferred he was invited to a reception at the Israeli Embassy to meet Hermoni at which time he renewed his acquaintance with him. (S)

He said that his commercial interests were such that he had frequent and continuing contact with Hermoni and with [redacted] and other Israeli officials. (U) He was uncertain when he first met [redacted] and said he knew very little of his background. (S)

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Because the FBI had reported a meeting between Shapiro and [redacted] on June 20, 1969 at the Pittsburgh airport under what appears to be unusual circumstances, Shapiro was asked how many times he had seen [redacted] recently and what they discussed. [redacted] left Washington, D. C. by air early on June 20, was met by Shapiro at the Pittsburgh airport, spent an hour in conversation with Shapiro, and then returned directly to Washington, D. C.) Shapiro said that he had seen [redacted] about a half dozen times. When asked the last time, he said probably May. He then said that he saw [redacted] before he, [redacted] went to Israel and also saw him when he returned. (U) However, he did not volunteer to disclose the fact that he met [redacted] at the airport in Pittsburgh on June 20 until pressed. He then said he was concerned about the payment of a delinquent bill that the Government of Israel owed, and that he had discussed this with Hermoni and [redacted] by telephone and sent [redacted] copies of the invoice before [redacted] trip to Israel. With respect to the meeting at the Pittsburgh airport, he said [redacted] had suggested that he come to Washington, D. C., but that he, Shapiro, had suggested [redacted] visit. (S)

him in Pittsburgh; they met at the airport and [redacted] returned to Washington, D. C. shortly thereafter. According to Shapiro this meeting involved the question of his unpaid bill; gave him an opportunity to get a definitive reply regarding a power supply unit and whether or not it could be adapted to the Israeli incursion detection device; and to discuss difficulties they had been encountering in the potato irradiation project. (See Appendix "A") (U) (S)

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Shapiro said he recognizes that he has numerous and frequent contacts with Israeli foreign nationals both in this country and in Israel. He said, however, that he clearly recognizes his obligation not to discuss classified activities with unauthorized personnel and that throughout his associations with Israeli officials he has never been asked to furnish classified information, he has never furnished, and he would not, if asked to, furnish such to unauthorized persons. He pointed out the only classified work NUMEC has had is in producing Navy fuel and he has had no Navy fuel work for years. He said he had had no occasion to read classified documents for years and that he had not been in the weapons program. He said that NUMEC several years ago had done a small hardening job for Livermore, but that was the extent of the weapons work done by NUMEC and that it was very specialized and not systems type work. Shapiro said that he is proud of the contribution he and NUMEC have made to the atomic energy program; that he has tried to operate the company as required by Commission regulations; that he has cooperated with other Government officials, including [redacted] which according to Shapiro frequently [redacted] (U) (S)

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(U) Shapiro expressed the concern that his company as a result of process losses of materials in 1965 had been blackballed and that recently NUMEC had been denied a contract in the safeguards area that it had expected to receive. (S)

He expressed the view that the purpose of this meeting was in fact related to the losses of material at NUMEC in 1965 and the fact that the staff of the JCAE had indicated he had probably carried the unaccounted-for material to Israel presumably for use in the Israeli weapons program. He indicated that this was preposterous. He felt that information had been leaked to the press which resulted in "asinine" articles in the Wall Street Journal and the New York Times pertaining to the losses of material and speculation on

(U) the whereabouts of the material. He felt that these articles injured the reputation of his company. We explained to Dr. Shapiro that insofar as the losses of material at the NUMEC plant were concerned, the Commission had conducted a complete investigation and that this matter was closed. We pointed out that we had not brought up the issue of the losses of material and that this interview was not in fact caused by the previous material losses at NUMEC. (S)

We advised Dr. Shapiro that we would report the results of our discussion to

(U) the Commission noting specifically that he, Dr. Shapiro, had stated that in all his contacts with Israeli officials he had never been asked to furnish classified information, had never furnished classified information, and would not, if asked to, furnish classified information to unauthorized persons. (S)

Interviewers' Impressions

Dr. Shapiro appeared to be calm throughout the entire interview except when pressed for the details of his meeting with [redacted] on June 20 at the Pittsburgh airport. Only when confronted with the fact that we were aware of the meeting did he admit such a meeting had taken place and his explanation that the purpose of the meeting had been to discuss payment of a bill and other commercial matters did not appear to be completely candid. Similarly, Dr. Shapiro could not recall details or names of individuals present at the November 3, 1968, meeting at his residence; and the interviewers feel that in this respect he was less than candid in describing the circumstances of this meeting. However, his discussion of the subjects covered at the meeting was consistent with other reports of the meeting. His statement that he has never been requested to furnish classified information, has never furnished classified information, and would not, if asked to, furnish classified information to unauthorized personnel was made in the specific context of his associations with Israeli officials; was made openly and with forcefulness; and with his full understanding that he would be quoted on this point to the Commission. (S)

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(U)

(U)

[redacted]
Office of the General Counsel

William T. Riley, Director
Division of Security

(S)

APPENDIX "A"

(U) Summary of Conversation Between William T. Riley, [redacted] and Dr. Zalman Mordecai Shapiro on August 26, 1969 (C)

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On August 26, 1969, Dr. Zalman Mordecai Shapiro was contacted in specific reference to the information he had provided during the course of the (U) interview on August 14, 1969, concerning the circumstances of his meeting at the Pittsburgh airport on June 20, 1969, with [redacted] (C)

Dr. Shapiro was informed that in reviewing our notes of the August 14, 1969 (U) meeting we understood him to say that the June 20th meeting involved discussion of an unpaid bill owed to his firm by the Israeli Government; gave him an opportunity to get a definitive reply on the suitability of a power supply unit; and an opportunity to discuss difficulties that had been encountered in the potato irradiation project. (C)

Classified by [redacted]
Declassify on: OADR

We told Dr. Shapiro that on review, none of these items appeared to be of such significance as to warrant a trip to Pittsburgh by [redacted] and inquired as to whether he wished to supplement the information he had provided us earlier. Dr. Shapiro said that while there had been some casual discussion of the Israeli political situation (for example, there was some speculation as to who would be the next Prime Minister) and the (U) economic situation as well as some discussion of the policies of Israel's neighbors, the meeting had concerned the items that he had discussed with us earlier. He said that the unpaid bill had been delinquent for quite some time and was in the neighborhood of $32,000, and that he personally (C)

[redacted]

[redacted]

This [illegible] contains information [illegible] property of the United States Government [illegible] Secret [illegible] and its contents are not to be distributed outside your agency [illegible] is prohibited by law.

attached great significance to the payment of the bill and that both

(U) [redacted] and Hermoni were aware of his concern. He said that as a result of the visit to Pittsburgh by [redacted] the account was settled shortly thereafter. (C)

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Dr. Shapiro also said that [redacted] wanted to assure him that he had done everything he could with respect to payment of the bill. In addition,

(U) [redacted] wanted to discuss some problems with respect to the irradiator and Dr. Shapiro said he wanted to discuss the irradiator also because he was concerned about its return. (C)

(U) Beyond the above, Dr. Shapiro stated that he had nothing further to add in respect to the meeting at the Pittsburgh airport. (C)

(U) [redacted]
Office of the General Counsel

William T. Riley, Director
Division of Security

(C)

(U)

FD-143 (Rev. 4-2-63)
OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA GEN. REG. NO. 27
5010-106

UNITED STATES GOVERNMENT

Memorandum

(U) CONFIDENTIAL

EXEMPTED FROM AUTOMATIC DECLASSIFICATION
AUTHORITY DERIVED FROM:
FBI AUTOMATIC DECLASSIFICATION GUIDE
EXEMPTION CODE 25X(1)
DATE 12-19-2008

TO: DIRECTOR, FBI (Bufile 117-2564) DATE: 8/28/69

FROM: SAC, PITTSBURGH (97-123-Sub 2)

Classified by
Declassify on: OADR

SUBJECT: JUSTIFICATION FOR CONTINUATION OF TECHNICAL OR MICROPHONE SURVEILLANCE

(U) RE: Title **DR. ZALMAN MORDECAI SHAPIRO**

Character of Case **IS-ISRAEL; AEA**
Field Office **PITTSBURGH**
Symbol Number
Type of Surveillance: (Technical ~~& Microphone~~)

b2

1. Name of person or organization on whom surveillance placed:
DR. ZALMAN MORDECAI SHAPIRO, President, Nuclear Materials and Equipment Corporation (NUMEC), Apollo, Pa.

2. Address where installation made. Also give exact room number or area covered:
(U) **5452 Bartlett Street, Pittsburgh, Pa., the personal residence of SHAPIRO**

3. Location of monitoring plant:
Pittsburgh Office Consolidated Plant at Pittsburgh FBI Office, 1336-0 Federal Building, 1000 Liberty Ave., Pittsburgh, Pa.

4. Dates of initial authorization and installation:
Authorized, 7/5/68
Activated, 9/27/68

REC-7

5. Previous and other installations on the same subject (with dates and places):
None

6. If installation is a technical surveillance, answer following questions:

a. Is a trunk line utilized? **3 trunk lines are utilized**

b. Is the surveillance on a switchboard? **No**

c. Is the surveillance on a public coin-operated telephone? **No**

NAT. INT. SEC.

(CONFIDENTIAL)

Registered Mail
1 - Bureau
1 - Pittsburgh
6 SEP 1 1969
DPW:lgh (2)

SP-963K/RB6
2+3
8/28/69
6/2/82

d. Is surveillance on a private line or a party line? **3 private lines**

e. If a party line, how many parties? **Not Applicable**

7. If a microphone surveillance involved, state number of microphones actually used and location of each: **Not Applicable**

(U) 8. Is the installation part of a tel-mike? If so, give symbol of other side of the combination: **No**

9. Specific examples of valuable information obtained since previous report with indication of specific value of each item and the date information received. State what use was made of each item involved: (Add insert pages) **(See Insert Pages) Appropriate dissemination of information set forth hereinafter made where deemed pertinent, and additional information obtained will be incorporated in forthcoming report.**

10. Could above information have been obtained from other sources and by other means? **No**

11. Number of live informants (in field division) who cover same subject: **None**

12. Has security factor changed since installation?

No

13. Any request for the surveillance by outside agency (give name, title and agency):

(C)

14. Cost of Plant Premises:

a. Rental costs for plant premises: **None**

b. Give total number of other surveillances monitored at same plant. **None**

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c. If any others, set out the proportionate cost of instant surveillance:

15. Cost of Leased Line for instant installation?
3 leased lines cost $20 each, plus 16% State and Federal taxes or $69.60

16. Personnel Costs:

a. Give total number of special employees and/or Special Agents working at plant and total salary costs.

(U) **One Special Employee (GS-9) at $10,718 per annum, utilized full-time for monitoring. One Special Agent (GS-11) at $11,223 per annum utilized 80% of time for monitoring. Proportionate salary expenses for Agent for instant TESUR $8,978.**

b. Total number of man hours per week spent at plant?
72

c. If other installations monitored at same plant, list proportionate number of man hours per week spent on instant surveillance:
Not Applicable

d. If other installations monitored at same plant, list proportionate salary expense per annum for instant surveillance:
Not Applicable

17. Remarks (By SAC):

(U) **Since the submission of last FD-143, source has furnished pertinent information pertaining to subject's activities, the majority of which would not otherwise be available to this office. Subject continues his contacts with representatives of the Israeli scientific, technical and economic fields, including [redacted] Science Attache, Dr. AVRAHAM HERMONI, Scientific Counselor, both of the Embassy of Israel, Washington, D.C.; [redacted] Research Metallurgist, Israel AEC; and [redacted] Israel Investment Services, Israel Government Investment Authority, New York City. In view of the continued interest in subject on the part of the United States AEC as evidenced by that agency's recent interview of subject and**

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(U) the current tension in the Mid East concerning which this source could supply intelligence data of value to the internal security of this country, it is recommended that this installation be continued for at least an additional three-month period and as long as file security can be assured. If, at the conclusion of the three-month period, information of value has not been obtained from source, appropriate recommendations will be submitted to discontinue this installation.

18. Recommendation by Assistant Director:

(If this surveillance involves cryptanalysis, include statement that decrypted material is or is not sufficiently important to continue decrypting.)

(U)

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INSERT PAGE FOR No. 9

4/24/69 — Conversation wherein subject's wife, [redacted] informs subject that they had received a letter that date from [redacted] a research metallurgist from Israel Atomic Engery Commission (AEC), who requested permission to visit the subject from 5/28 - 6/1/69.

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4/26/69 — Conversation wherein [redacted] indicates [redacted] supra, will visit the SHAPIRO residence during the 1969 Memorial Day weekend, and that [redacted] plans attending a meeting with U.S. Steel laboratory personnel on 5/30/69.

(U) The aforementioned information was incorporated in the report of SA [redacted] dated 5/5/69, at Pittsburgh, captioned as above.

(8)

5/2/69 — Subject in contact with [redacted] Israel Investment Services, Israel Government Investment Authority in New York City, wherein they discussed fact that plans for the implementation of the deal to manufacture hypodermic syringes (needles), for medical usage was moving forward. An unidentified individual planned to go to Israel on 5/9/69, to meet with officials regarding this matter. Subject indicated he wanted to go to Israel in June 1969, in spite of the fact his employers wanted him to visit Europe on company business. Subject stated that he was tempted to tell his employers to "go to hell." [redacted] discouraged subject from taking this cause of action by informing subject that he was too valuable in his present position with Nuclear Materials and Equipment Corporation (NUMEC), Apollo, Pa.

5/4/69 — Conversation wherein [redacted] informs [redacted] that he plans leaving for Israel during the first week of June 1969.

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5/5/69	Conversation between subject and current employee at NUMEC wherein they discussed a dangerous "spillage" which was occuring at NUMEC as the result of scrap collection drums which were corroding. Subject stated that he was not only worried about the "spillage" but that "actually they are operating outside compliance." This information was furnished to Bureau in form suitable for dissemination by letter dated 5/6/69.
5/8/69	Conversation between [redacted] and subject's sister, ZIPPORAH SCHEFRIN, wherein [redacted] reveals subject considering the possibility of leaving NUMEC but first desires assurance of other employment prior to leaving NUMEC. Conversation between subject and current employee at NUMEC wherein subject discloses NUMEC recently lost a Navy fuel contract which, with the exception of some unnamed document, leaves NUMEC with no classified material.
5/18/69	Detailed account of conversation between subject and [redacted] of Philadelphia, Pa., wherein [redacted] informed subject that on 5/16/69, he had visited Dr. AVRAHAM HERMONI, Scientific Counselor of the Israeli Embassy, Washington, D.C., and learned from HERMONI that the material which he had prepared on the detection of impurities in water forwarded to the subject had not been received by HERMONI. Subject advised that he had, in HERMONI's absence furnished the material to [redacted] Science Attache, Israeli Embassy, Washington, D.C. [redacted] then inquired of subject as to the status of the "committee" to which subject stated that

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it was his understanding that a number of individual discussions had taken place and that members were contributing as best they could. [redacted] revealed that recently Dr. HERMONI had given him a new assignment, and HERMONI further indicated at that time that others had also received new assignments.

It is noted that [redacted] reportedly attended meeting of 11/3/68 at subject's Pittsburgh residence where discussions held for purpose of gathering technical and scientific information for Israel.

Aforementioned information was furnished to the Bureau in form suitable for dissemination by letter dated 5/20/69.

(U)

5/19/69 Conversation between [redacted] supra, and subject wherein subject discloses that although he was in New York City that date, he was unable to contact [redacted] because AEC business took longer than anticipated.

5/25/69 Conversation between subject and [redacted] supra, wherein [redacted] reveals that he arrived in New York City from Israel on that date; and after visiting several scheduled aircraft companies in the New York City area, will visit subject's residence until approximately 5/29/69, after which he will visit Seattle, Washington. [redacted] replied in the affirmative to inquiry by subject as to whether he would be interested in visiting NUMEC.

5/27/69 [redacted] informs subject he will arrive at the Greater Pittsburgh Airport 9:23 PM, 5/28/69, and has an appointment at Alcoa Company, Pittsburgh, 5/29/69, and that thereafter would like to visit NUMEC.

On the basis of this information, Special Agents of this office successfully

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conducted photographic surveillance at Greater Pittsburgh Airport where the subject met [redacted] on 5/29/69.

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5/29/69 — Subject informs [redacted] that [redacted] was visiting their residence until 6/1/69, after which [redacted] was leaving for Seattle, Washington; that purpose of [redacted] visit to the United States was to look at aircraft plants and talk metallurgy.

5/30/69 — Conversation wherein subject disclosed that for a period of approximately two weeks during the latter part of June, 1969, he would visit Sweden, Germany and Switzerland for the purpose of conducting NUMEC business. Subject revealed he would be accompanied by his chief sales manager and planned leaving Pittsburgh approximately 6/22/69.

(U)

The aforementioned information was furnished to the Bureau in form suitable for dissemination in letter dated 6/5/69.

6/1/69 — [redacted] indicated to subject that he would be on the West Coast and would be visiting aircraft plants near Los Angeles, Calif., after his trip to Seattle, Washington.

[redacted] indicated during another conversation that he intended to visit Douglas Aircraft at Long Beach, Calif., and North American Rockwell and would be in contact with an individual at Hughes Aircraft Corporation.

6/2/69 — Conversation wherein EVELYN SHAPIRO revealed that [redacted] was visiting their residence, and that [redacted] had formerly worked at NUMEC several years ago.

6/9/69 — Conversation wherein EVELYN SHAPIRO disclosed they recently purchased property at Deep Creek, Md.

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This information was furnished the Bureau by letter dated 6/19/69, which letter requested investigation at Baltimore, Md., by Baltimore in connection with purchase of aforementioned property.

6/12/69 — Conversation between subject and current NUMEC employee wherein subject discloses NUMEC recently lost a $250,000 U.S. Navy contract.

6/16/69 — Conversation wherein EVELYN SHAPIRO reveals subject leaving Pittsburgh, Pa., for Europe 6/21/69, and returning to Pittsburgh approximately 7/5/69.

(U)

6/19/69 — Subject informs a current employee at NUMEC that he will not be in office on morning of 6/20/69, because he is meeting someone at the Greater Pittsburgh Airport, Pittsburgh, Pa.

On basis of this information, Special Agents of this office successfully conducted photographic surveillance at Greater Pittsburgh Airport which disclosed subject met privately for approximately one hour with [redacted] supra.

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This information was furnished to the Bureau in form suitable for dissemination by letter dated 7/3/69.

6/21/69 — Conversation during which EVELYN SHAPIRO discloses subject departed for Europe that date.

7/5/69 — Conversation during which EVELYN SHAPIRO reveals subject returned from Europe on 7/3/69, a day earlier than originally planned.

7/6/69 — Conversation wherein subject discloses that he recently visited Europe, including

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Sweden, Germany and Switzerland and a number of interesting developments occurred including (1) an exchange of information on pressurized water fuel elements with Sweden; (2) the possibility of setting up a reprocessing plant-multi-national involving Sweden, Germany and Switzerland.

7/10/69

Conversation between subject and JACK GOLDMAN, official of Xerox Corporation, wherein SHAPIRO indicates he is contemplating leaving NUMEC and is currently considering other forms of employment. Subject informs GOLDMAN that during last visit to Israel, he made inquiries regarding job opportunities in Israel but found nothing to his complete satisfaction.

(U)

8/12/69

[redacted] supra, indicated to subject that he had discussed the syringe deal with the individual mentioned on 5/2/69, and that this individual seemed to be doing things rather slowly even though Israel is interested in getting the project moving. [redacted] was advised by subject that there are too many loose ends at present and steps must be taken to remedy this matter. Subject added that due to other budget problems, it is unlikely that Atlantic-Richfield, subject's employer, would be interested in an investment in this project at this time.

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8/20/69

Conversation wherein it is disclosed subject and family plan spending vacation at Deep Creek, Md., and subject's sister's residence in New Jersey from 8/23/69, until 9/1/69. *

8/21/69

SHAPRIRO and [redacted] supra, in conversation regarding syringe project in which it is revealed that the project is not moving ahead as rapidly as desired. The individual who is promoting the deal has not been able to get the American financing necessary and believed available when the project was begun. Subject and [redacted] who was calling from Los Angeles, will discuss the matter after 9/1/69.

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* Information received on 8/20/69 was furnished to the Bureau by airtel dated 8/21/69. (S) (U)

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